

In the Claims:

1. (Amended) A label manufacturing system comprising:

a web of a substrate that moves along a first direction; and

a dispensing system comprising:

a planar area that moves parallel to said first direction and below said web, wherein

said web moves substantially independently of said web; and

an applicator that places a label upon a portion of said web that lies above said

planar area.

34. (Amended) A process for manufacturing a label comprising:

moving a web of a substrate along a first direction;

moving a planar area parallel to said first direction and below said web, wherein said

moving of said web is performed substantially independently of said moving said planar area; and

placing a label upon a portion of said web that lies above said planar area.

65. (New) The process of claim 55, wherein said web moves substantially

independently of said planar area during said diminishing skewing.

REMARKS

A. **35 U.S.C. § 102**

1. **Claims 1-33**

In the Office Action of July 31, 2002, claims 1-33 were rejected as being anticipated under § 102(b) by Barber et al. Applicant traverses this rejection for several reasons. Regarding